

ADM: POKOII

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gr. direct.

## FOURTEEN HUNDRED TWENTY FIVE

FROM : AMEMBASSY, ATHENS

TO : THE GOVERNMENT OF GREECE, WASHINGTON

RFF : CMIP - February 21, 1957, Section C, Item 1

Teletach No. 464

December 27, 1957

SUBJECT: Weekly Economic Review No. 16 - Greece

W-1 IO-20  
E-6 NEA-4 EUR-550 / ACTION // PAK-2 KEP-2 TKA-16 TCH-10 UNICA-1  
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1. Economic Development Loan Fund. Ministry of Coordination said to be actively at work preparing preliminary documentation for submission Economic Development Loan Fund on (1) additional power unit at Toloxis, (2) Acheloos dam and power project, (3) nitrogen fertiliser plant, and (4) Athens-Tatoi road improvements.

Comment. Though disavowing any implied commitment on part, Embassy and USOIC are pressing Greek Government move forward on submissions to Fund since Greek requirements for foreign capital financing must seek this and alternative sources in view reduced levels of other official U.S. assistance. End  
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2. Hilton Hotel. Pezas, entrepreneur in Hilton hotel project, seeking extension of purchase option on \$750,000 site for hotel. He had previously paid around \$70,000 on site and is reportedly prepared put up another \$100,000 provided option is extended.

Comment. This another step on what will probably be a very rocky road before Athens has a Hilton hotel. Total cost of project is estimated at \$8 million or more. Though Greece's Economic Development and Finance Organization (EDFO) has agreed in principle to finance up to \$3.5 million, no specific loan application has come forward from Pezas, presumably because he is unable or does not desire cite sources for his part of financing.

3. Investment program. George Panas designated by Minister Coordination HEWINS as special aid on industrial projects in Government's investment program or for which Government wishes encourage private enterprise undertake.

Comment. Helmis has long felt need for expediter and trouble shooter on these projects. Panas considered well qualified; was member of Greek Foreign Trade Administration in Washington for a number of years and more recently served as consultant to the Economic Development and Finance Organization, the Greek Government's entity for financing private enterprise.

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4. 1957 Tax Revenues. Debate in Parliament revealed that 1957 tax payments and accruals will be at least 1,316 million drachmas (about \$44 million) over the 11,025 million (\$367.5 million) estimated at beginning of budget year. 1,316 million is official estimate released in answer Opposition's insistence, within context severely criticizing Government for deliberate miscalculation, that overyield will exceed 2,000 million drachmas.

Comment. Begin OFFICIAL USE ONLY. This another round in shadow boxing during last 6-8 months between Government and Opposition over obvious fact that Government had been deliberately conservative in estimating 1957 tax receipts. Government, which previously had denied its conservatism to prevent onrush of claims against the increased revenue, is now stating, possibly for the same reason, that overyield already spent. End OFFICIAL USE ONLY.

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5. Bid Call on Gas Turbines. Bid invitation issued by Public Power Corporation (PPC) calling for quotations by January 25 on 1, 2 or 3 gas turbine units having aggregate generating capacity of 16,500 to 24,000 KW. Invitation specifies delivery date at no later than September 30, 1959, in order that unit or units can be in operation for 1959-60 winter peak (not 1958-59 peak as previously reported - See Weekly Economic Review 15).

6. Circulation and Sovereign Price. Notes and coins in circulation turned upward totaling 6370 million drachmas on December 18, compared with 5,757 million on December 15, 1956. Gold sovereign closed at 315 drachmas on December 24, compared to 325.7 on December 27, 1956.

For the Charge d'Affaires a.i.

Harold C. Voorhees

Second Secretary of Embassy

Approved:

Clarence E. Birgfeld  
Counselor of Embassy  
for Economic Affairs

cc: USDO/Paris, Mr. Burston AND PASCO Paris, ArEmbassies: ROME, ANKARA,  
BELGRADE, TRIPOLI, ArLegation BUCHAREST, ArConGen SALONIKA, USOM/G,  
Mr. Doggett USOM/G, Mr. Longman USOM/G, Mr. Bell USDA, Mr. Lincoln GTI.

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